

PRELIMINARY PAYROLL REVIEW PROCESS

This document outlines a suggested standard preliminary payroll review process steps and recommends several BEACON payroll and BI reports to review during the payroll correction days. Using the recommended reports will allow agencies to view and analyze finance, payroll, and HR data during the time when payroll corrections can still be processed. The goal is for each agency to create and document a process that allows them to detect and correct payroll related errors prior to payroll finalization.

This document does not teach transaction or report specifics, web links are provided for those details.

BEACON Payroll is paid in two regular cycles – Monthly (Mo) and BiWeekly (BW). Monthly paydays are the last working day of the month and BiWeekly paydays are on alternating Fridays. Payments are also made from Off-cycle payroll runs. Within each regular cycle there is a recurring chain of events: initialization day, correction days, CMCS requisition posted days, etc. ending in pay day. The entire payroll schedule by day is at: <http://help.mybeacon.nc.gov/beaconhelp/TOC9.html> . The payroll calendar outlines all scheduled activities and their associated due dates – off cycle payrolls are just that, and are not shown on the calendar.

Below is a discussion of the elements and approaches that an agency preliminary payroll review process should address.

WHY?

Agencies should be able to demonstrate and document due diligence to ensure accurate and timely payment to their employees. Establishment of and adherence to a sound preliminary payroll review process will reduce payment errors to ensure public resources are being properly accounted for. Agency internal controls as well as audit readiness will be strengthened by tying the HR, finance, and payroll components together.

WHO?

In the BEACON integrated HR/Payroll system, it is advisable for the person(s) responsible for preliminary payroll review to access payroll, financial, and human resources information. There are two options for making this data available to the reviewer: allow security access for the reviewer to create reports from all three of the functional areas (payroll, finance, and human resources) or have representatives from these areas provide the reviewer with the data. Each agency will need to decide how to approach this requirement.

WHEN?

Agency preliminary payroll reviews should begin the day after payroll initialization. Preliminary payroll amounts should be compared against prior agency results for reasonableness. Ideally, these comparisons would be repeated after each payroll run (approximately 8am, noon, and 4pm).

When there are unidentifiable discrepancies from the normal agency results, contact BEST payroll immediately.

How?

Agencies should establish expected results (run rates) that are a baseline for the population they will be testing during correction days. Establishment of run rates can be done by viewing payroll and financial reports from prior dates. Material and/or unexplainable deviations from the agency baseline should be researched and resolved before payroll finalization.

WHAT?

PAYROLL VIEW REPORTS

Below is a list of recommended BEACON payroll system reports for preliminary payroll review. Note: your agency may set up a variant that chooses the same Org Unit, or Employee Group, or Wage Type, etc. each time to make comparisons more consistent and deviations easier to detect. All reports in this section are available at the specific employee level up through various summary levels.

Wage Type Reporter - PC00_M99_CWTR

Use for either period specific payroll amounts or for period to period comparisons of payroll amounts – either by element or summarized. Recommendation is that agency is aware of reasonable run rates for total payroll expenses and important cost elements (overtime, longevity, etc.) and Wage Type Reporter is checked during payroll correction days to determine if agency preliminary results are on track.

BPP- http://help.mybeacon.nc.gov/beaconhelp/Payroll/r_PC00_M99_CWTR_Wage_Type_Reporter.htm#TopOfPage

Display Payroll Results - PC_Payresult

This is a technical report that displays what payroll was processed. This report can be used to display preliminary payroll results for one or more employees. Look for a status of “P”.

BPP - http://help.mybeacon.nc.gov/beaconhelp/Payroll/r_PC_PAYRESULT_Display.htm#TopOfPage

A detailed discussion of this transaction is also in Student Guide below, pages 100 – 108.

http://help.mybeacon.nc.gov/beaconhelp/Payroll/Student%20Guides/pdf_PY310_SG_V5_072508.pdf

Additional Information

- The BEACON Training website for all Payroll BPPs, job aids, and student guides is:
<http://help.mybeacon.nc.gov/beaconhelp/TOC9.html>
- The location of the payroll trouble shooting and advance payroll workshops is:
<http://help.mybeacon.nc.gov/beaconhelp/TOC11.html>

HUMAN RESOURCES BI REPORTS

All reports below should be compared against the payroll and financial view reports above. Depending on agency requirements, other BI reports may also be useful. BI reports are accessed by clicking on the “Reports” tab if you are a Core User with BI security access. As discussed above, if the reviewer does not currently have and will not be receiving BI access, this data will need to be obtained from other agency staff.

B0005 (Employee) Actions

Restrict your search to the action effective dates that match the payroll time period that you are reviewing and restrict your search to the actions that result in a payroll impacts. As a significant number of BEACON payroll impacts are initiated by HR, this will show you what to expect in the ledger and allow you to verify ledger account/amount changes (increase or decrease to salary expense, related change to FICA and/or retirement, etc).

B0113 (Position) Actions

Similar to above, but since the report contains the position number; you would have to work backwards to get the employee name and then calculate the dollar impact – if any – for the position change. This report can assist in verifying that changes to specific accounts/amounts are reasonable (shift pay, overtime pay, on-call, etc.).

B0064 Estimated Longevity Eligibility

This report shows each month for the next 12 months out, the estimated longevity payments to be made. Compare these BI estimated amounts to Wage Type 1220 (Annual Longevity) ledger to see if the expensed mounts are in line.

NOTE:***

If agency has Segregation of Duties monitoring requirements, the report below will display User that made system updates and the employee upon which those changes were made. Report can be used to determine if user has made changes to their own data.

B0002 Actions Audit Report